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FEDERAL COMMUNICATIONS COMMISSION

OFFICE OF THE SECRETARY

June 29, 2004

Marlene H. Dortch, Secretary Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554

Re:

Alaska Power & Telephone Company, TRS No. 700013 New Payphone Compensation Rules, CC Docket No. 96-128 Declaration That ILEC Subsidiaries are Not "Completing Carriers"

Dear Ms. Dortch:

Enclosed and filed by Alaska Power & Telephone Company (AP&T, TRS No. 700013)¹ is AP&T's affirmative declaration that certain portions of the Federal Communications Commission's new payphone compensation rules, that become effective on July 1, 2004, do not apply to AP&T or to its local exchange carrier (LEC) subsidiaries because AP&T is a holding company and its subsidiaries do not meet the definition of a "Completing Carrier," as defined in the new rules pursuant to 47 C.F.R. § 64.1300(a). Because AP&T's ILEC subsidiaries do not meet the definition of a "Completing Carrier," they do not have to comply with the requirements of 47 C.F.R. § 64.1310(a) or (g), or with the requirements of 47 C.F.R. § 64.1320.

Please date stamp the enclosed "File Copy" and return it to the undersigned in the enclosed self-addressed stamped envelope. Should you have any questions concerning this request, please contact the undersigned.

Very truly yours,

Enclosure

Denise Coca, Competition Policy Division, Wireline Competition Bureau, FCC cc.

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AP&T, as a holding company, is filing this affirmative declaration on behalf of its three wholly owned rural incumbent local exchange carrier subsidiaries: Alaska Telephone Company (TRS No. 804807); Bettles Telephone, Inc. (TRS No. 804804); and North Country Telephone, Inc. (TRS No. 804805).

DECLARATION OF ALASKA POWER & TELEPHONE COMPANY

On October 3, 2003, the Federal Communications Commission (FCC) released a Report and Order (R&O, FCC 03-235), in response to a remand from the United States Court of Appeals for the District of Columbia Circuit (315 F.3d 369). This R&O becomes effective on July 1, 2004 (see FCC Public Notice, DA 04-1309, May 11, 2004) and its purpose is to finalize a federalized payphone compensation scheme that has been in the works since 1996.

Certain portions of the FCC's new payphone compensation rules do not apply to Alaska Power & Telephone Company (AP&T) or its three rural local exchange carrier (LEC) subsidiaries (Alaska Telephone Company, Bettles Telephone, Inc., and North Country Telephone, Inc.), because AP&T is a holding company and the ILEC subsidiaries do not meet the definition of a "Completing Carrier." Pursuant to 47 C.F.R. § 64.1300(a), a LEC would meet the definition of a "Completing Carrier" under the new rules only if it "completes a local, coinless access code or subscriber toll-free payphone call" without the call path leaving the LEC's local network.

AP&T owns and operates three small rural independent ILECs based in Alaska. The AP&T subsidiaries currently provide 80 access lines to 2 payphone service providers (including itself) in their combined service areas. In no instance does any AP&T ILEC subsidiary carry local coinless payphone calls completely within its telephone plant from origination at the payphone to termination at the phone number of the LEC's local customer. All coinless payphone calls (both local and toll) are routed through the payphone terminal to the AP&T ILEC subsidiary's central office and then these calls are automatically routed to the toll provider (the long distance carrier, switch-based reseller or operator services provider) based on the assigned carrier identification access code or toll-free number dialed. Once a coinless payphone call leaves the AP&T ILEC subsidiary's central office, the toll provider controls the routing of the call to termination. As a result, it is not possible for any AP&T ILEC subsidiary to complete a local, coinless access code or subscriber toll-free payphone call. Therefore, all of the AP&T ILEC subsidiaries do not meet the definition of a "Completing Carrier" under the FCC's payphone compensation rules and they do not have to comply with the requirements of 47 C.F.R. § 64.1310(a) or (g), or with the requirements of 47 C.F.R. § 64.1320

I do hereby declare under penalties of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief, and that I am authorized by Alaska Power & Telephone Company to provide this Declaration.

Date: June 28, 2004

(signature)

MICHAEL GARRET

(printed name)

EXEC. UP.

(title)

Alaska Power & Telephone Company 800 E Dimond Boulevard, Suite 3-650 Anchorage, Alaska 99515 (907) 365-0201